



Los Angeles County
Board of Supervisors

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January 04, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

Mitchell H. Katz, M.D.
Director

John F. Schunhoff, Ph.D.
Chief Deputy Director

**APPROVAL OF AMENDMENTS TO TWO WORKERS' COMPENSATION
IDENTIFICATION AND RECOVERY SERVICES AGREEMENTS
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

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www.dhs.lacounty.gov

SUBJECT

*To improve health
through leadership,
service and education.*

Request approval to extend the term of Workers' Compensation Identification and Recovery Services agreements with Southern California Med-Legal Consultants, Inc. and Boehm & Associates.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 1 to Agreement No. H-701871 with Southern California Med-Legal Consultants, Inc. (SCMLC) and Amendment No. 1 to Agreement No. H-701872 with Boehm & Associates (B&A), effective upon Board approval, to extend the term of both Agreements for the period February 1, 2011 through January 31, 2012, with an additional three month-to-month extensions for each Agreement, for the continued provision of Workers' Compensation Identification and Recovery Services (WCIRS) at Department of Health Services (DHS) facilities at an estimated cost of \$90,663 for SCMLC and \$377,521 for B&A, with no change to the contingency fee rate.



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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current Agreements will expire on January 31, 2011. Approval of the recommendation will allow the Director, or his designee, to execute Amendments, substantially similar to Exhibits I and II with SCMLC and B&A, to extend both Agreements. WCIRS serves as a "safety net" function to identify Workers' Compensation coverage not identified by the facility or its primary contractors. DHS refers accounts to SCMLC and B&A for WCIRS after the County's and its primary contractors' best efforts to collect monies have been exhausted.

The requested extension is necessary to allow DHS to conduct a solicitation for WCIRS and recommend approval of the successor agreement to your Board. There is also provision for an additional three month-to-month extensions which will allow the Director, or his designee, to extend the term of the Agreements with SCMLC and B&A, if necessary, to complete the solicitation process and award the successor WCIRS agreements.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The two Contractors generated approximately \$3 million in gross revenue during Fiscal Year (FY) 2009-10, allocated as follows:

Revenue Collected:

SCMLC \$801,863; B&A \$2,447,684; Total \$3,249,547

Contingency Fees Paid:

SCMLC \$160,373; B&A \$489,537; Total \$649,910

Fees Paid as a Percentage of Revenue Collected:

SCMLC 20 percent; B&A 20 percent

The total estimated cost for the one-year extension period is \$468,184. Funding is included in the DHS FY 2010-11 Final Budget and will be requested for FY 2011-12.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Since 1998, DHS has contracted for WCIRS at DHS facilities. On January 17, 2006, your Board approved the current Agreements with SCMLC and B&A to provide WCIRS at DHS facilities after a solicitation process.

The recommended Amendments add the latest provisions required by your Board since the Agreements were initially approved, including the Defaulted Property Tax Reduction Program. The Agreements may be terminated for convenience by the County upon 30 days' prior written notice.

County Counsel has approved Exhibits I and II as to use and form.

DHS has determined that the provisions for the Living Wage Program (County Code Chapter 2.201)

The Honorable Board of Supervisors

1/4/2011

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do not apply to these Agreements as the services are of an extraordinary professional nature and are needed on an intermittent basis.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure the continued provision of WCIRS.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:smc

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors